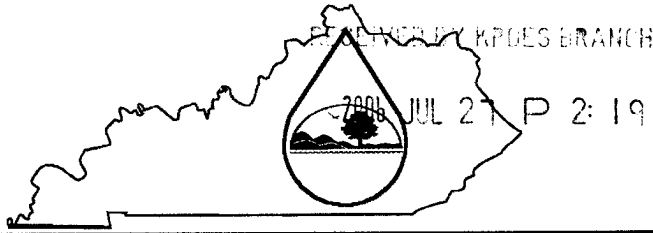


KPDES FORM HQAA



Kentucky Pollutant Discharge Elimination System (KPDES)

High Quality Water Alternative Analysis

The Antidegradation Implementation Procedures outlined in 401 KAR 5:030, Section 1(3)(b)5 allows an applicant who does not accept the effluent limitations required by subparagraphs 2 and 3 of 5:030, Section 1(2)(b) to demonstrate to the satisfaction of the Environmental and Public Protection Cabinet that no technologically or economically feasible alternatives exist and that allowing lower water quality is necessary to accommodate important economic or social development in the area in which the water is located. The approval of a POTW's regional facility plan pursuant to 401 KAR 5:006 shall demonstrate compliance with the alternatives analysis and socioeconomic demonstration for a regional facility. This demonstration shall also include this completed form and copies of any engineering reports, economic feasibility studies, or other supporting documentation

I. Permit Information

Facility Name:	Sandlick Coal Co., Inc.	KPDES NO.:	
Address:	P.O. Box M	County:	Harlan
City, State, Zip Code:	St. Charles, Virginia 24282	Receiving Water Name:	Wallins Creek

II. Alternatives Analysis - For each alternative below, discuss what options were considered and state why these options were not considered feasible.

1. **Discharge to other treatment facilities.** Indicate which treatment works have been considered and provide the reasons why discharge to these works is not feasible.

Municipal treating was considered. The area is too remote with no facility nearby.

2. **Use of other discharge locations.** Indicate what other discharge locations have been evaluated and the reasons why these locations are not feasible.

City treatment considered. The area is too remote. No treating facility located nearby.

II. Alternatives Analysis - continued

3. Water reuse or recycle. Provide information about opportunities for water reuse or recycle at this facility. If water reuse or recycle is not a feasible alternative at this facility, please indicate the reasons why.

Water reuse and recycling were considered. There isn't a facility close enough to make it feasible.

4. Alternative process or treatment options. Indicate what process or treatment options have been evaluated and provide the reasons they were not considered feasible.

Alternative processes and treatment options were considered with using a city treating facility.

There are no facilities located close enough to the mine site.

II. Alternatives Analysis - continued

5. **On-site or subsurface disposal options.** Discuss the potential for on-site or subsurface disposal. If these options are not feasible, then please indicate the reasons why.

On-site subsurface disposal options have been evaluated but are not feasible. By pumping or placing any storage material inside an abandoned mine can create a "blow-out" possibility. Should a "blow-out" occur from this type of subsurface storage, the environmental harm could be more devastating than any benefits that are derived from this type of storage.

6. **Evaluation of any other alternatives to lowering water quality.** Describe any other alternatives that were evaluated and provide the reasons why these alternatives were not feasible.

Lowering of the water quality is a short term possibility to any operation's attempt to recover coal. But the economic boost to the economy of the region will also be realized. If lowering of any water standards does occur, it will be a short tem affect. Speedy reclamation and establishing a quick cover of vegetation will prevent any long term adverse affects to the environment. Sediment ponds will also aide in preventing degradation of the water quality.

III. Socioeconomic Demonstration

1. State the positive and beneficial effects of this facility on the existing environment or a public health problem

The facility will provide additional revenue to the local population in the form of wages.

The added monies will encourage a higher standard of living. When there is more buying power, both the environmental concerns and public health issues improve.

2. Describe this facility's effect on the employment of the area

This facility will employ approximately 30 people. Most of these workers will be living and spending their money in the local economy. There will be approximately eighty other jobs that will indirectly depend on the spending habits and buying power of the initial 40 workers.

3. Describe how this facility will increase or avoid the decrease of area employment.

The facility will increase the area's employment. The permittee anticipates additional workers will be needed to fill some vacancies. When new personnel is required, local folk will be the first contacted. The coal industry is constantly adding new employees. We foresee this trend continuing.

4. Describe the industrial or commercial benefits to the community, including the creation of jobs, the raising of additional revenues, the creation of new or additional tax bases.

The community commercially benefits when a new operation begins production. New workers are introduced to the area as new citizens. These people will construct new housing. Existing homes change ownership. The increased populations demands new businesses and expansion of older ones. The increase of new construction raises additional revenues and places a larger tax base for the region.

5. Describe any other economic or social benefits to the community.

There are other economic and social benefits for the community when this operation begins mining. As new workers and their families move into an area, usually the roads are upgraded to accommodate the added traffic flow. Grant money becomes available for installation of a municipal water system. With more people there will be a larger block of voters and more political power.

III. Socioeconomic Demonstration - continued

- | | <u>Yes</u> | <u>No</u> |
|--|-------------------------------------|-------------------------------------|
| 6. Will this project be likely to change median household income in the county? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. Will this project likely change the market value of taxable property in the county? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 8. Will this project increase or decrease revenues in the county? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Will any public buildings be affected by this system? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

10. How many households will be *economically* or *socially* impacted by this project? **20**

11. How will those households be *economically* or *socially* impacted? (For example, through creation of jobs, educational opportunities, or other social or economic benefits.)

Additional jobs, better wages.

The households will be impacted economically by the extra revenue each family will receive from the employee's pay for his labor. The wages will increase each household's living standard and gives each member the incentive to achieve more and a better atmosphere to learn in. The better living standards at home, will benefit students in their quest for a better education and, later in life, a better job.

- | | <u>Yes</u> | <u>No</u> |
|---|--------------------------|-------------------------------------|
| 12. Does this project replace any other methods of sewage treatment to existing facilities?
(If so describe how) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

This project will not replace any methods of sewage treatment to existing facilities.

- | | <u>Yes</u> | <u>No</u> |
|--|-------------------------------------|-------------------------------------|
| 13. Does this project treat any existing sources of pollution more effectively?
(If so describe how.) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

This proposed project will have sediment ponds as the primary control structures to handle any erosion or pollution that may escape. The ponds are designed and constructed in a manner that will allow the the suspended solids to drop out before the waters are released into the receiving stream below. Also, temporary sediment control such as straw bales and sediments fences will be installed

III. Socioeconomic Demonstration - continued

- | | <u>Yes</u> | <u>No</u> |
|--|-------------------------------------|--------------------------|
| 14. Does this project eliminate any other sources of discharge or pollutants?
(If so describe how.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

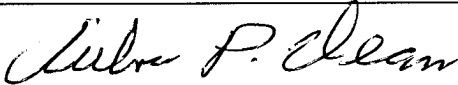
15. How will the increase in production levels positively affect the socioeconomic condition of the area?

With increased production the company can afford better wages, a quality health insurance plan, a good retirement and vacation package. With good fringe benefits, the company can attract quality workers and in return quality workers will create a viable housing market and a great neighborhood.

16. How will the increase in operational efficiency positively affect the socioeconomic condition of the area?

See item #15 above.

IV Certification: I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Name and Title:	Aubra P. Dean, President	Telephone No.:	606 -664-7770
Signature:		Date:	7-26-06